

The Key Questions

1. **Where would Kentuckys agriculture be without the ADB investments?**

The ADB investments have had clear, quantifiable impacts on Kentucky agriculture and agribusiness. Study findings suggest that the ADB investments have resulted in more agricultural diversification, higher levels of technology in production practices, more and expanded markets for products, more rapid adoption of technology through education and cost-share incentives, and a positive and significant increase in agricultural incomes. Conversely, without the ADB investments, Kentucky agriculture would have less diversification, lower levels of technology in production practices, fewer and smaller markets for products, less knowledge about up-to-date production techniques, and smaller incomes than currently exist.

2. **What have been the quantitative and qualitative impacts of ADB expenditures?**

For the \$86 million invested in 175 non-model projects, the estimated annual additional farm income is \$42 million for a total income impact over 2001-2007 of \$161 million. That represents \$1.87 of farm income generated per dollar of ADB investment in non-model projects. The County Model Program has produced documental improvements in on-farm productivity, especially in livestock production. The KAFC loan programs have helped finance new infrastructure and the Beginning Farmer Loan Program has assisted people with limited financial history.

Qualitative impacts of the ADB investments include more product diversification both on the farm and from processing, higher quality products, lessons learned from the wide range of projects funded, and development of a structure and funding stream for support of Kentucky agriculture.

3. **How have ADB investments leveraged other resources?**

For Non-Model projects, the participants have leveraged an additional \$96 million, or 11% more than the ADB funding for large, medium, and small projects. For the Model Program, the general cost-share is 50%, requiring leverage equal to the \$100 million of ADB investments. KAFC loan programs all require borrower participation so the leverage is normally 50%. In summary, additional funds leveraged for ADB projects have substantially exceeded the direct investment of agricultural development funds.

4. **How have ADB programs affected county leadership and entrepreneurial leadership?**

There have been a few projects that directly developed leadership skills and entrepreneurial leadership skills of individuals. In addition, the state board and county council system have provided leadership positions that people in the industry, thus fulfilling a larger leadership function for agriculture in the state.